

A New Kind Of Test Tube

A Washington, D.C.- based company hopes to build an uninhabited city known as “Sandbox” on 20 square miles somewhere in New Mexico to serve as a proving ground for technical innovations.

Pegasus Globing Holdings LLC announced Tuesday it anticipates “350 direct jobs and 3,500 indirect jobs to be created in (the project’s) design, development, construction and ongoing operation.”

The Associated Press reported the project would cost \$200 million.

Pegasus CEO Robert H. Brumley said in a telephone interview with the Journal that Sandbox would receive no state funding and the project would be contingent on finding private investors.

Brumley envisions companies like General Motors testing driverless cars on Sandbox streets, and green energy companies exploring how consumers respond to smart grids and residential thermostats that communicate with energy suppliers.



Brumley said Pegasus has been working on Sandbox for 18 months. He said the city will be built either in the Albuquerque or the Las Cruces area because of the availability of land and infrastructure, proximity of universities, national laboratories and military bases, availability of labor and access to the energy grid.

He said financing is expected to be obtained by midyear 2012, and the test city built in 2014.

Brumley said the project would die if a feasibility study Pegasus is conducting with help from state government and universities isn’t positive or if investors can’t be found.

Pegasus is a privately owned company that creates other companies and special-purpose entities to develop new technologies for customers such as the military and energy and communications companies. It is not affiliated with an identically named company based east of Seattle.

Among other projects, it created a telecommunications company that became publicly traded TerreStar Corp., and it is working to build an international commercial space launch facility at White Sands Missile Range.

Sandbox would be owned and operated by a New Mexico company Pegasus will establish, Brumley said. Pegasus would have a stake in the New Mexico company.

Many of the employees working in the proving ground will be information technology experts who create computer simulations of human behavior to help companies and government agencies test technologies, Brumley said.

Pegasus chose New Mexico for its proving ground, to be known as The Center for Innovation, Testing and Evaluation, because of the amount of empty land available, the large amount of federally funded research done in the state, the quality of its universities, its highway system and high-speed communications facilities.

“New Mexico’s academic communities, because of the national laboratories, are some of the most entrepreneurial and forward-looking in the country,” Brumley said. “Your academic community is not just a campus. It is also an attitude in how to participate in the economic development process.

“The state didn’t reach out to us,” he said. “We found the state.”

Pegasus came up with the idea for the center when it had trouble finding a proving ground to test its own technical innovations. Military test sites like White Sands Missile Range are booked well in advance and private sites are expensive.

“The big guys have relationships with the military and the labs,” Brumley said. “They as a matter of course get their stuff tested.”

“We found ourselves having to go to Iceland to test because Iceland was the only way we could get on a range to represent the environment we wanted to replicate for the equipment we were selling,” he said.

Over time, Pegasus expects the center to develop land surrounding the proving ground to house companies that develop technologies to be tested at Sandbox and companies that provide testing and support services.

That could create the kind of environment surrounding Palo Alto that resulted in Silicon Valley, Brumley said.

The center could become the kind of place where innovators, entrepreneurs and investors can “rub elbows,” learn from each other and make the connections that result in new businesses, Brumley said.

“I see no reason why New Mexico can’t see the same dynamic,” he said.

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